

## Board Report

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### Selected Financial and Operating Performance Results June 2020

**Southeastern Pennsylvania Transportation Authority**





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**General Manager**

Leslie S. Richards

Date: July 27, 2020

To: SEPTA Board Members

From: Leslie S. Richards

Re: Financial & Operating Highlights – Fiscal Year 2020

I am pleased to present the Financial and Operating Highlights for Fiscal Year 2020.

**OPERATING REVENUE**

Passenger revenue for Fiscal Year 2020 was 25.3% lower than budget and 23.7% below the prior year. System-wide, SEPTA recorded 223.5 million unlinked passenger trips during the year which is 23.7% below the reported trips in Fiscal Year 2019. Passenger Revenue and passenger trips for the fiscal year were lower than budget due to the COVID-19 pandemic.

**OPERATING EXPENSES**

Total operating expenses for Fiscal Year 2020 were 3.4% lower than budget and 0.6% lower the prior year. Labor and Fringe expenses for the twelve-month period were 5.5% below budget. With the receipt of federal CARES Act funding, there was a year-end surplus after subsidies of \$268 thousand. SEPTA has recorded twenty-one consecutive years of balanced budgets.

**SEPTA LAUNCHES COVID-19 TESTING PROGRAM**

In June, SEPTA launched a partnership with the Black Doctors COVID-19 Consortium (BDCC) to provide COVID-19 testing for employees. The BDCC is a volunteer group of local doctors, nurses and other medical professionals that has been providing free COVID-19 tests to communities in need throughout the COVID-19 pandemic. The partnership with SEPTA allows the BDCC to devote additional resources to testing in communities that SEPTA serves. Testing, which is free for SEPTA employees, is being conducted twice a week at major SEPTA employee hubs. "The BDCC has been instrumental in helping our communities throughout the COVID-19 pandemic," said SEPTA Board Vice Chairman Kenneth E. Lawrence Jr. "If we can make this critical testing available to our employees while supporting the Consortium's efforts to expand testing in our communities, that is truly a win-win." Dr. Ala Stanford of the Black Doctors COVID-19 Consortium added: "This agreement will deliver critical services to both SEPTA employees and our communities as we fight the COVID-19 pandemic."

***SEPTA ANNOUNCES FACE-COVERING REQUIREMENT***

In June, SEPTA started requiring all customers to wear a face covering, as part of the effort to help control the spread of COVID-19. The face-covering requirement is consistent with policies put into place by the Commonwealth, the City of Philadelphia and local businesses. SEPTA employees have been engaging customers to remind them about the requirement. SEPTA is stressing that the policy does not require customers to purchase masks. Customers can use any type of cloth material that covers the mouth and nose, such as a bandana. Face coverings can also be made using items people have in their homes, such as an old shirt. Outreach and education efforts will continue moving forward as more riders return to the system.

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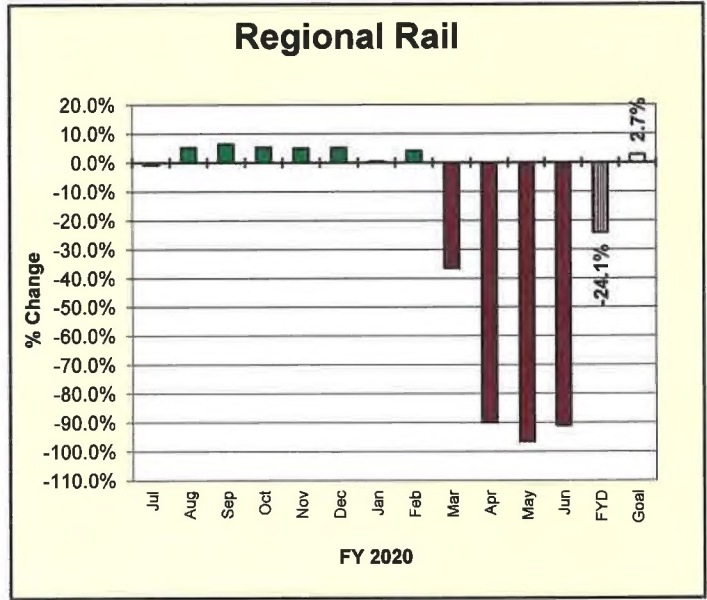
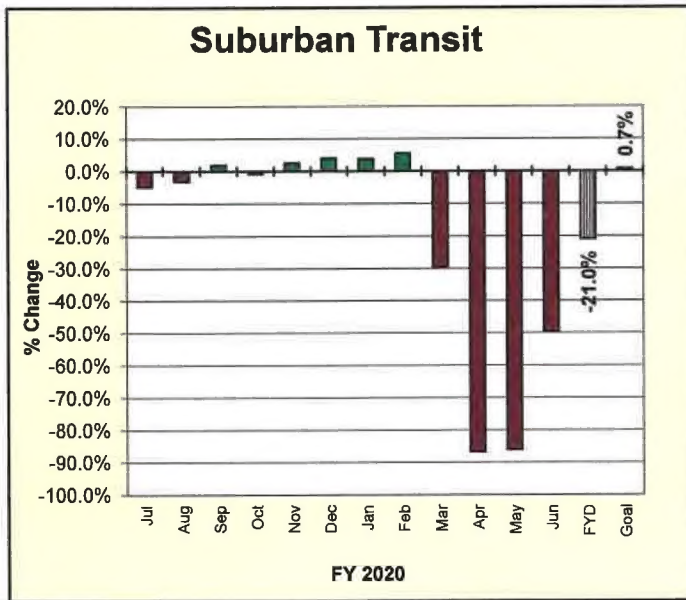
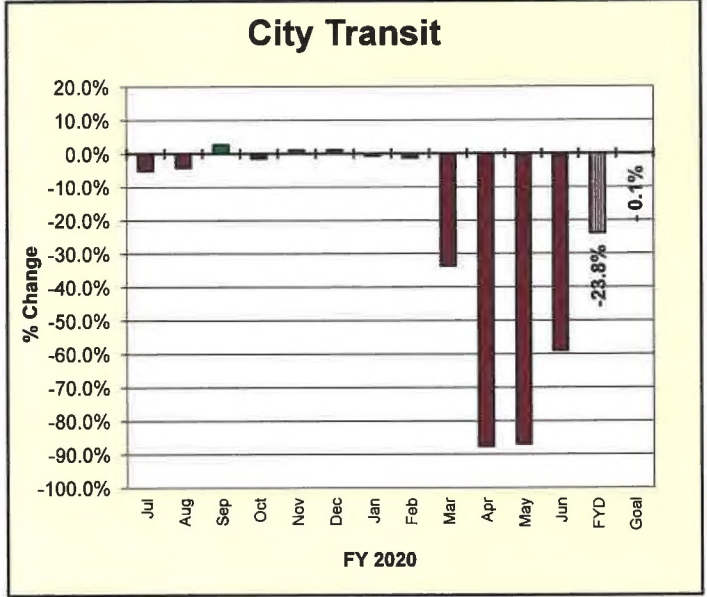
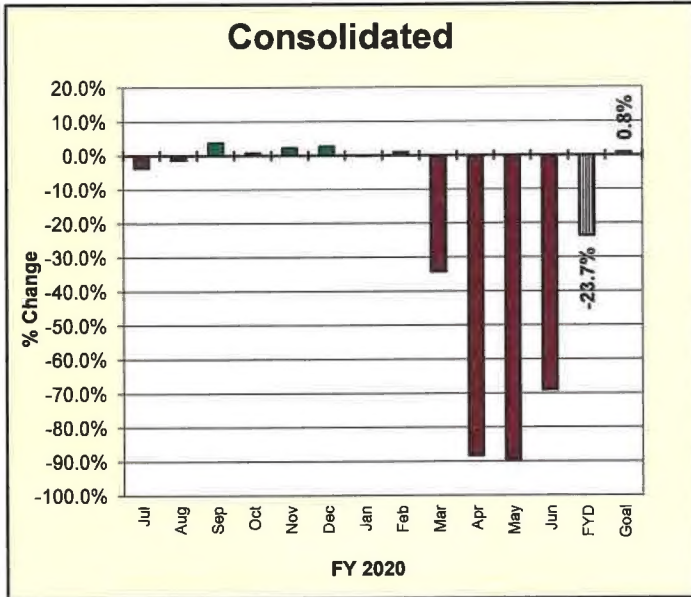
(UNAUDITED)  
**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**  
**FINANCIAL STATEMENT SUMMARY**  
**PERIOD ENDED JUNE 30, 2020**  
(Thousands)

Month of June					Twelve Months through June			
2020			2019		2020			2019
BUDGET	ACTUAL	VARIANCE	ACTUAL		BUDGET	ACTUAL	VARIANCE	ACTUAL
				<u>OPERATING REVENUES</u>				
\$ 37,693	10,384	\$ (27,309)	\$ 33,506	Passenger Revenue	\$ 467,700	349,307	\$ (118,393)	\$ 457,709
1,266	355	(911)	1,302	Shared Ride Program	15,822	12,609	(3,213)	15,992
271	229	(42)	96	Investment Income	3,620	3,067	(553)	3,229
3,386	3,636	250	4,053	Other Income	40,688	38,463	(2,225)	41,017
<u>\$ 42,616</u>	<u>\$ 14,604</u>	<u>\$ (28,012)</u>	<u>\$ 38,957</u>	TOTAL OPERATING REVENUE	<u>\$ 527,830</u>	<u>\$ 403,446</u>	<u>\$ (124,384)</u>	<u>\$ 517,947</u>
				<u>OPERATING EXPENSES</u>				
\$ 57,135	\$ 47,481	\$ 9,654	\$ 48,569	Labor, including Paid Absences	\$ 665,669	\$ 631,419	\$ 34,250	\$ 635,663
34,476	26,308	8,168	27,482	Fringe Benefits	393,226	369,080	24,146	373,167
28,993	18,674	10,319	28,169	Material & Services	314,403	285,070	29,333	301,920
1,858	6,840	(4,982)	(366)	Injuries & Damages	23,720	36,684	(12,964)	16,490
2,457	1,634	823	2,231	Propulsion Power	29,505	25,440	4,065	29,807
575	1,164	(589)	578	Fixed Rent	6,366	9,073	(2,707)	6,376
2,365	1,978	387	2,219	Fuel	29,970	25,565	4,405	27,816
1,929	1,835	94	1,616	Depreciation	23,043	21,127	1,916	20,127
(8,753)	-	(8,753)	-	Budget Reduction	(32,388)	-	(32,388)	-
<u>\$ 121,035</u>	<u>\$ 105,914</u>	<u>\$ 15,121</u>	<u>\$ 110,498</u>	TOTAL OPERATING EXPENSES	<u>\$ 1,453,514</u>	<u>\$ 1,403,458</u>	<u>\$ 50,056</u>	<u>\$ 1,411,366</u>
				<u>DEFICIT BEFORE SUBSIDIES</u>	<u>\$ (925,684)</u>	<u>\$ (1,000,012)</u>	<u>\$ (74,328)</u>	<u>\$ (893,419)</u>
				<u>OPERATING SUBSIDIES</u>				
\$ 3,330	\$ 69,905	\$ 66,575	\$ 2,948	Federal	\$ 36,600	\$ 103,175	\$ 66,575	\$ 36,631
65,343	57,730	(7,613)	50,731	State	717,864	689,701	(28,163)	660,897
9,801	8,661	(1,140)	7,610	Local	107,680	103,455	(4,225)	99,135
8,400	9,509	1,109	8,202	Lease Cost/Debt Service	92,308	99,774	7,466	93,099
298	730	432	635	Other-Route Guarantees	3,620	4,175	555	3,985
(8,753)	-	8,753	-	State and Local Budget Reduction	(32,388)	-	32,388	-
<u>\$ 78,419</u>	<u>\$ 146,535</u>	<u>\$ 68,116</u>	<u>\$ 70,126</u>	TOTAL OPERATING SUBSIDIES	<u>\$ 925,684</u>	<u>\$ 1,000,280</u>	<u>\$ 74,596</u>	<u>\$ 893,747</u>
				<u>SURPLUS/(DEFICIT) AFTER SUBSIDIES</u>	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 268</u>	<u>\$ 328</u>
-	(236)	(236)	909	Unrealized Investment Gain/(Loss)	-	928	928	1,752
<u>\$ -</u>	<u>\$ 54,989</u>	<u>\$ 54,989</u>	<u>\$ (506)</u>	<u>SURPLUS/(DEFICIT) AFTER INVESTMENT GAIN/(LOSS)</u>	<u>\$ -</u>	<u>\$ 1,196</u>	<u>\$ 1,196</u>	<u>\$ 2,080</u>

# SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

## REVENUE PERFORMANCE

FY 2020 Actual vs. FY 2019 Actual

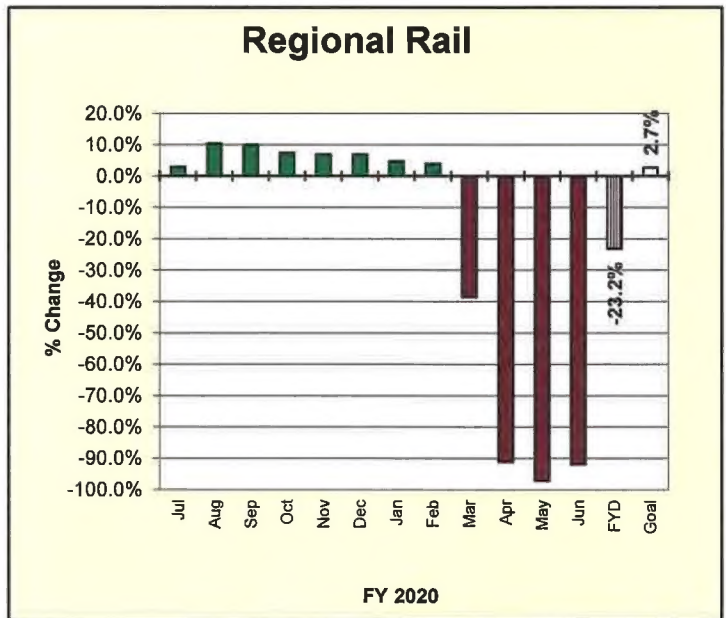
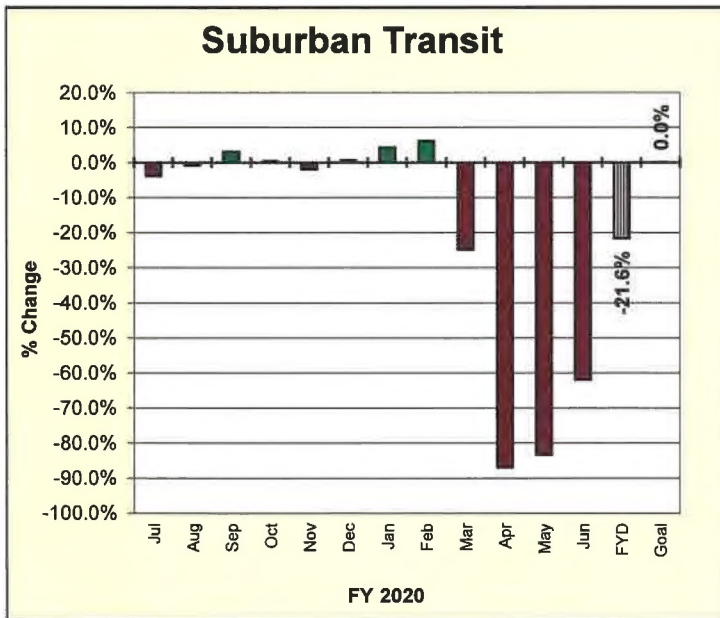
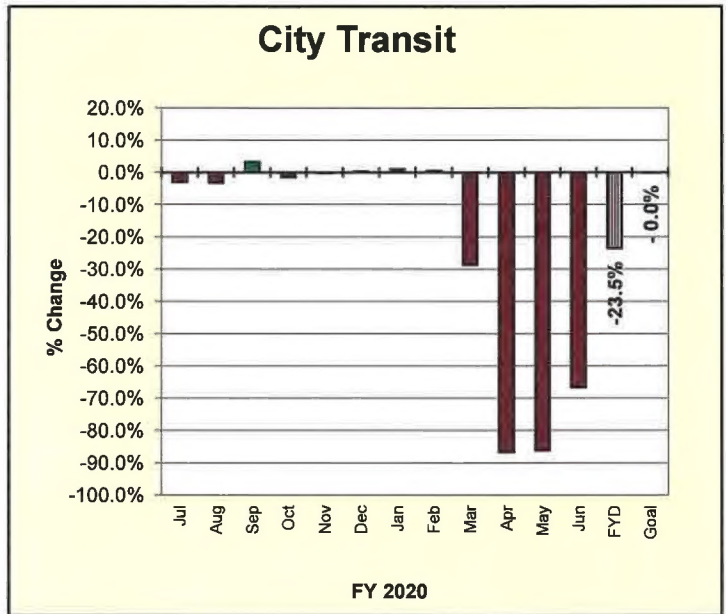
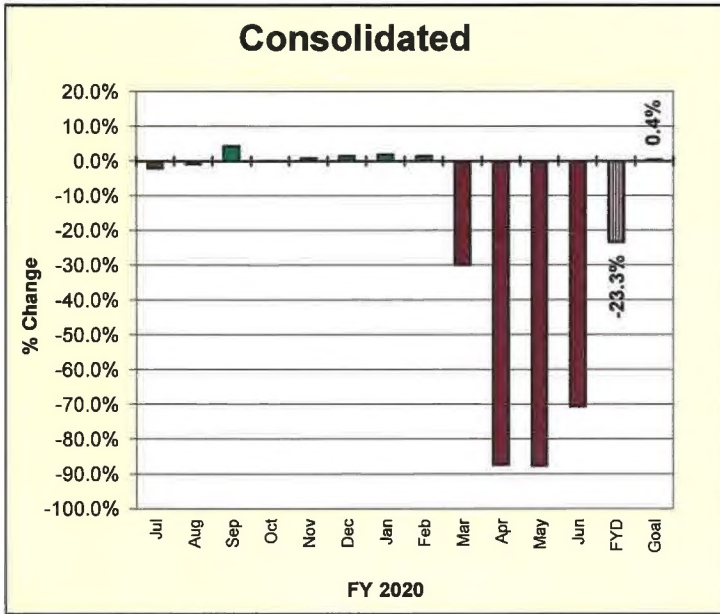


Note: Above comparisons for March 2020 thru June 2020 were impacted by COVID-19 Pandemic.

Note: Above comparisons for July were impacted slightly by one less day in the July 2019 fiscal month versus July 2018.



**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**  
**RIDERSHIP PERFORMANCE**  
FY 2020 Actual vs. FY 2019 Actual



Note: Above comparisons for March 2020 thru June 2020 were impacted by COVID-19 Pandemic.

Note: Above comparisons for July were impacted slightly by one less day in the July 2019 fiscal month versus July 2018.